## DEPARTMENT OF INSURANCE

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August 4, 2014

The Honorable Susan Bonilla Assemblywoman, 14<sup>th</sup> District State Capitol, Room 4140 Sacramento, CA 95814

RE: Assembly Bill 2293 (BONILLA) – Removal of Opposition

Dear Assemblywoman Bonilla:

On behalf of the California Department of Insurance (CDI), I write to inform you that as amended on July 2, 2014, CDI is removing its previous opposition to your AB 2293 and has no official position on the bill. AB 2293 proposes insurance and liability requirements on transportation network companies (TNCs) and provides important disclosures for the consumers who use these services.

CDI opposed AB 2293 when it was amended on June 19, 2014, because those changes severely weakened insurance coverage for TNC drivers and increased the risk on TNC passengers, pedestrians and other motorists. Fortunately, the July 2, 2014, amendments improve consumer protections and provide more structure and definition to insurance coverage during all three periods of when the TNC is conducting business.

Specifically, the most recent set of amendments increases the minimum amount of liability coverage for the TNC during Period 1 to \$750,000. While this is still short of the \$1 million in liability coverage that CDI recommends during this period, it is a significant step in the right direction from the level proposed in the June 19, 2014, version of AB 2293.

CDI appreciates your efforts to resolve many of the outstanding issues previously highlighted by our department. Please feel free to contact my Deputy Commissioner and Legislative Director Robert Herrell at (916) 492-3565 if you have any questions regarding this matter.

Sincerely,

Insurance Commissioner

cc: Members, Senate Committee on Appropriations

Gareth Elliott, Legislative Affairs Secretary, Office of the Governor